



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU RELEASES 2013 TELECOMMUNICATIONS REPORTING WORKSHEETS AND ACCOMPANYING INSTRUCTIONS

WC Docket No. 06-122

The Wireline Competition Bureau (Bureau) announces the release of the (1) annual Telecommunications Reporting Worksheet, FCC Form 499-A (Form 499-A) and accompanying instructions (Form 499-A Instructions), to be used in 2013 to report 2012 revenues;¹ and (2) quarterly Telecommunications Reporting Worksheet, FCC Form 499-Q (Form 499-Q) and accompanying instructions (Form 499-Q Instructions), to be used in 2013 to report projected collected revenues on a quarterly basis.²

The Bureau has delegated authority to revise the Form 499-A, Form 499-Q (collectively, Forms) and accompanying instructions to, among other things, ensure “sound and efficient administration of the universal service programs.”³ In order to promote clarity, transparency and predictability, on November 23, 2012, the Bureau released a Public Notice seeking comment on proposed revisions to the Forms and

¹ The Communications Act of 1934, as amended (Communications Act), requires that the Commission establish mechanisms to fund universal service, interstate telecommunications relay services, the administration of the North American Numbering Plan, and the shared costs of local number portability administration (LNPA). 47 U.S.C. §§ 151, 225, 251, 254. To accomplish these congressionally-directed objectives, the Commission requires telecommunications carriers and certain other providers of telecommunications (including Voice-over-Internet-Protocol (VoIP) service providers) to report each year on Form 499-A the revenues they receive from offering service. See 47 C.F.R. §§ 52.17(b), 52.32(b), 54.708, 54.711, 64.604(b)(5)(iii)(B). Form 499-A is due on April 1 of each year. See Universal Service Administrative Company (USAC) Schedule of Filings, at <http://www.usac.org/cont/499/filing-schedule.aspx> (last visited Feb. 27, 2013).

² Sections 54.706, 54.711, and 54.713 of the Commission’s rules require all telecommunications carriers providing interstate telecommunications services, interconnected VoIP providers that provide interstate telecommunications, providers of interstate telecommunications that offer interstate telecommunications for a fee on a non-common carrier basis, and payphone providers that are aggregators to contribute to the universal service fund (USF) and file Form 499-Q on February 1, May 1, August 1, and November 1 each year. 47 C.F.R. §§ 54.706, 54.711, 54.713.

³ See *Changes to the Board of Directors of the National Exchange Carrier Association, Inc.; Federal-State Joint Board on Universal Service*, CC Docket Nos. 96-45, 97-21, Report and Order and Second Order on Reconsideration, 12 FCC Rcd 18400, 18442, para. 81 (1997) (“Because it is difficult to determine in advance precisely the information that will be needed to administer the new universal service programs, the [Common Carrier, now Wireline Competition] Bureau will have delegated authority to waive, reduce, or eliminate contributor reporting requirements that may prove unnecessary. The Bureau also will have delegated authority to require any additional contributor reporting requirements necessary to the sound and efficient administration of the universal service programs.”) (*Universal Service Second Order on Reconsideration*).

the accompanying instructions.⁴ The Bureau received numerous comments addressing the proposed changes to be incorporated into the 2013 Forms and accompanying instructions.⁵ The Bureau now revises the Forms and accompanying instructions as part of its annual update to provide guidance for complying with existing rules and requirements, based on these comments, the Bureau's experience in administering the universal service programs and explicit rulings by the Commission.⁶ The revisions are summarized below:

- **Stylistic Changes:** In several instances, wording in the instructions was revised for clarification purposes, without changing the substance.
- **Date Changes:** Dates were updated throughout. References to "2012" were changed to "2013," and references to "2011" were changed to "2012."
- **Web Pages:** Hyperlinks were revised as appropriate throughout the Form 499-A Instructions and the Form 499-Q Instructions.

⁴ *Wireline Competition Bureau Seeks Comment on Proposed Changes to FCC Form 499-A, FCC Form 499-Q, and Accompanying Instructions*, WC Docket No. 06-122, Public Notice, 27 FCC Rcd 14382 (Wireline Comp. Bur. 2012).

⁵ See Ad Hoc Coalition of International Telecommunications Companies Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); AT&T Inc. (AT&T) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Grande Communications Networks, LLC (Grande) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Network Enhanced Telecom, LLP Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Hypercube Telecom, LLC, Level 3 Communications, LLC, TDS Metrocom, LLC, and Zayo Group, LLC (Level 3 et al.) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Independent Telephone & Telecommunications Alliance Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); National Cable & Telecommunications Association (NCTA) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Sprint Nextel Corp. (Sprint) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Transcom Enhanced Services, Inc. (Transcom) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); U. S. TelePacific Corp. d/b/a TelePacific Communications (TelePacific) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Verizon Communications Inc. and Cellco Partnership d/b/a Verizon Wireless (Verizon) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); Voice on the Net Coalition Comments, WC Docket No. 06-122 (filed Jan. 11, 2013); and XO Communications, LLC (XO) Comments, WC Docket No. 06-122 (filed Jan. 11, 2013).

⁶ See, e.g., *Universal Service Contribution Methodology; Application for Review of Decision of the Wireline Competition Bureau filed by Global Crossing Bandwidth, Inc.; Request for Review of the Decision of the Universal Service Administrator and Emergency Petition for Stay by U.S. TelePacific Corp. d/b/a TelePacific Communications; XO Communications Services, Inc. Request for Review of Decision of the Universal Service Administrator; Universal Service Administrative Company Request for Guidance*, WC Docket No. 06-122, Order, 27 FCC Rcd 13780, 13801, para. 51 (2012) (*Wholesaler-Reseller Clarification Order*) (holding that the guidance provided in the instructions constitutes a "safe harbor" and instructing the Bureau to seek comment on any revisions to be made to the 2013 FCC Forms 499 and instructions, which will be used to report 2012 revenues). We note that TelePacific has filed a Petition for Partial Reconsideration and XO has filed a Petition for Clarification and Partial Reconsideration of the *Wholesaler-Reseller Clarification Order*. See Petition for Partial Reconsideration by U.S. TelePacific Corp. d/b/a TelePacific Communications, WC Docket No. 06-122, filed Dec. 5, 2012; Petition of XO Communications Services, LLC for Clarification and Partial Reconsideration, WC Docket 06-122, filed Dec. 5, 2012. Global Crossing is also seeking judicial review of the *Wholesaler-Reseller Clarification Order*. See *Global Crossing Bandwidth, Inc. v. Federal Communications Commission*, 12-1482 (D.C. Cir. filed Dec. 19, 2012).

- **Estimation Factor:** Appendix A of the Form 499-A Instructions (at Line 10) and Figure 1 of the Form 499-Q Instructions (at Line 16) contain the estimation factor to be used by filers to determine *de minimis* status.⁷ The estimation factor for 2013 is 0.162.
- **Filing Schedule:** Table 1 of the Form 499-A Instructions and Figure 2 of the Form 499-Q Instructions were revised to clarify the filing addresses for Form 499-A, Form 499-Q, Traffic Studies, and the Consolidated Filer Certification. Form 499-Q (Line 113) was revised to allow filers to check the applicable quarter for which the form is being filed.
- **Mergers:** Building upon the existing language in the 2012 Form 499-A Instructions regarding mergers, acquisitions, or sale of operating units, we revised pages 8 and 14 of the Form 499-A Instructions to include additional language regarding the obligation of a successor company to report the revenues for both the successor and acquired entity if the acquired entity does not file its own Form 499-A.⁸ The new language on page 8 of the Form 499-A Instructions states that, if the acquired entity has ceased operations, the successor company is required to account for all revenues earned by both companies in the previous calendar year, which flows as a natural consequence from the language provided in the 2012 Form 499-A Instructions.⁹ Similarly, page 14 of the Form 499-A Instructions was also revised to state that where an entity acquires the telecommunications operations or customer base of another filer, that entity must report all telecommunications revenues associated with such operations or customer base, including revenues billed in the calendar year prior to the date of acquisition when the acquired company does not file its own Form 499-A.¹⁰
- **Ink Signature Requirement:** Page 9 of the Form 499-A Instructions and page 20 of the Form 499-Q Instructions were revised to clarify that an original ink signature is required from an officer when he or she first files a form. Subsequent forms signed by the same officer may be signed electronically.

⁷ Pursuant to the *de minimis* exemption, telecommunications carriers and telecommunications providers are not required to contribute directly to the universal service support mechanisms for a given year if their contribution for that year is less than \$10,000. *See* 47 C.F.R. § 54.708.

⁸ 2013 Form 499-A Instructions at 8, 14. The 2012 Form 499-A Instructions provide that if an acquired entity ceases operations, the successor entity is responsible for making assessed USF contributions or true-up payments owed by the entity that ceased operations relating to the prior calendar year. If the merged entities maintain separate corporate identities and continue to operate, however, each filer should continue to report separate revenues. 2012 Form 499-A Instructions at 8, 13. Some commenters expressed concern that the revisions at issue would impose new burdens on successor entities. *See* Level 3 et al. Comments at 2, TelePacific Comments at 8, XO Comments at 13. The revisions at issue merely restate existing procedures and requirements for successor entities in the event of a merger, acquisition, or sale of operating units; this language does not impose new burdens on acquiring carriers.

⁹ 2013 Form 499-A Instructions at 8.

¹⁰ *Id.* at 14.

- **Rounding Percentages:** Page 9 of the Form 499-A Instructions was revised to delete instructions requiring revenues to be rounded to the nearest whole percent. Revenues should not be rounded to whole numbers. This is consistent with the safe harbors for interstate/intrastate revenues, which are not whole numbers.
- **Definition of Affiliate:** The definition of “affiliate” has been added to page 10 of the Form 499-A Instructions and page 11 of the Form 499-Q Instructions.¹¹ The language added is not a new definition; it is the same definition contained in section 3 of the Communications Act,¹² as well as Appendix A of the 2012 Form 499-A Instructions and Figure 1 of the 2012 Form 499-Q Instructions.
- **Holding Company and Affiliates:** Under the 2012 Instructions, all affiliated filers are required to have a common identifier, typically the name of a holding company or controlling entity.¹³ A checkbox has been added to Form 499-A (Line 106.1) and Form 499-Q (Line 105), with corresponding additions to the Form 499-A Instructions (page 10) and the Form 499-Q Instructions (pages 10-11). Filers are instructed to mark the checkbox if they have no affiliate. The addition of checkboxes on both Forms 499-A and 499-Q in the 2013 forms is merely intended to aid USAC in processing filer information and is not a change in existing reporting requirements. Form 499-Q also was revised to include the Internal Revenue Service (IRS) employer identification number (EIN), information already required on Line 106.2 of Form 499-A. Minor stylistic edits were made to both sets of instructions to clarify that all affiliated companies should identify the same holding company as well as the IRS EIN for that company.¹⁴
- **Revenues from Affiliates:** Under existing requirements, filers report gross billed revenues in blocks 3 and 4 of Form 499-A and in block 3 of Form 499-Q. In 2005, the Bureau added language to the Forms 499 Instructions that had the effect of limiting the definition of gross billed revenues.¹⁵ The language in the 2012 Form 499-A Instructions reads: “Gross billed revenues also do not include revenues (imputed or otherwise) for services provided to the filer itself or from one wholly owned affiliate to another unless: (1) the filer is required to record such revenues for some other federal or state purpose; or (2) the filer is providing service to an affiliate for resale and the affiliate is not a direct universal service contributor.” We have revised the Form 499-A Instructions to delete

¹¹ 2013 Form 499-A Instructions at 10; 2013 499-Q Instructions at 11.

¹² 47 U.S.C. §153(2).

¹³ The 2012 Instructions required that affiliated companies enter a common identifier on Line 106.1 of Form 499-A and Line 105 of Form 499-Q. *See* 2012 Form 499-A Instructions at 10; 2012 Form 499-Q Instructions at 11.

¹⁴ 2013 499-A Instructions at 10, 2013 499-Q Instructions at 10-11. One commenter stated that this “new” definition is not workable in all situations and imposes new requirements beyond checking the appropriate box. *See* Verizon Comments at 2-3. We acknowledge that some filers may be affiliated with more than one entity under the definition of “affiliate” contained in the Communications Act. Filers have been required for many years, however, to provide a common identifier for all affiliated filers, typically the name of the filer’s holding company, and therefore should have already determined which entity to list on the Form 499 when there are several affiliated entities.

¹⁵ The Bureau added the language to the instructions in 2005 without explanation.

this language because it is not based on any Commission rule or decision.¹⁶ Under longstanding Commission requirements, a contributor must apportion its telecommunications revenues between two categories: (1) revenues derived from sales by one carrier or provider to another carrier or provider that is reasonably expected to contribute to the USF, known as “carrier’s carrier” or wholesale revenues; and (2) revenues derived from sales to all other entities, known as “end-user” or retail revenues.¹⁷ “Carrier’s carrier” revenues are not currently assessed for USF purposes. Since the inception of the current contribution methodology, providers have been required to contribute to the USF based on “end-user” telecommunications revenues, which include revenues from sales to carriers or providers that do not contribute to USF, such as *de minimis* carriers and exempted providers of interstate telecommunications.¹⁸ This requirement applies to all telecommunications and telecommunications services provided to end users, regardless of whether those revenues are received from affiliated or unaffiliated entities.¹⁹

We recognize that some filers may have relied upon the language in the 2012 Form 499-A and other prior versions of the Form 499-A to account for transactions between affiliated entities.²⁰ As such, we clarify that the revisions will only be applied prospectively beginning with the filing of future Forms 499-Q, and the 2014 Form 499-A that will be used to report annual revenues for 2013. Filers that excluded certain affiliate revenues from revenues projected on the 2012 Forms 499-Q are not required to adjust that revenue information to reflect these revisions on the 2013 Form 499-A due April 1, 2013.

¹⁶ 2012 Form 499-A Instructions at 14. Several commenters request that we provide an explanation for deleting this language. *See* AT&T Comments at 3; Verizon Comments at 4; XO Comments at 14.

¹⁷ *Universal Service Second Order on Reconsideration*, 12 FCC Rcd at 18507, App. A.

¹⁸ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9206-08, paras. 843-47 (1997) (*Universal Service First Report and Order*) (subsequent history omitted); *Federal-State Joint Board on Universal Service; Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing; End User Common Line Charge*, CC Docket No. 96-45 et al., Fourth Order on Reconsideration & Report and Order, 13 FCC Rcd 5318, 5482, para. 298 (1997) (“Entities that resell telecommunications and qualify for the *de minimis* exemption must notify the underlying facilities-based carriers from which they purchase telecommunications that they are exempt from contribution requirements and must be considered end users for universal service contribution purposes”).

¹⁹ By way of example, under existing rules and policies, telecommunications carriers providing telecommunications services, including broadband transmission services, are subject to USF contribution requirements. The Commission has stated that such carriers must contribute to the extent they provide broadband transmission services or other telecommunications services on a stand-alone basis to *affiliated* or unaffiliated Internet service providers (which are not considered providers of telecommunications or telecommunications services) or to end users. *See Appropriate Framework for Broadband Access to the Internet over Wireline Facilities et al.*, CC Docket No. 02-33 et al., Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd 14853, 14915-16, paras. 112-13 (2005); Notice of Proposed Rulemaking, 17 FCC Rcd 3019, 3052, para. 73 (2002). This precedent was affirmed as recently as November 2012 in the Commission’s *Wholesaler-Reseller Clarification Order*. *See Wholesaler-Reseller Clarification Order*, 27 FCC Rcd at 13786, para. 11.

²⁰ *See, e.g.*, Verizon Comments at 4 (stating that the language at issue “is likely material, addressing whether certain internal/affiliate transactions are subject to universal service assessment”).

- **Exchange Access Service:** The Form 499-A Instructions were revised at page 15 (Line 304) to list per-minute charges for originating or terminating VoIP / public switched telephone network (PSTN) traffic as a type of per-minute originating and terminating charge reportable on Line 304.²¹ We clarify that the changes to the 2013 Form 499-A Instructions do not require filers to split their reporting of charges related to VoIP-PSTN traffic.²²
- **Bundled Services of Interconnected VoIP Providers:** We revised the Form 499-A Instructions for Line 404 on page 15 to clarify the appropriate treatment of revenue from bundled services by interconnected VoIP providers.²³ The new sentence reads as follows: “Interconnected VoIP providers not reporting based on the safe harbor that bundle fixed local exchange service with interstate toll services at a unitary price must determine the appropriate portion of revenues to allocate to interstate and international toll service, in a manner that is consistent with their supporting books of account and records.”²⁴
- **Subscriber Line Charges:** We revised the Forms instructions relating to the treatment of subscriber line charges (SLCs) for USF reporting purposes. Neither the Commission’s formal separations process that governs how incumbent local exchange carriers (LECs) assign their costs to intrastate and interstate jurisdictions, nor the access charge rules that govern how incumbent LECs recover those costs from their customers, apply to non-incumbent LEC contributors.²⁵ Non-incumbent LECs are not required under any Commission rule or order to charge a SLC to their customers. We deleted the following language from the discussion of Line 404 on page 16 in the Form 499-A Instructions: “Filers without subscriber line charge revenue must identify the interstate portion of fixed local exchange service revenues in column (d) of the appropriate line 404.1.”²⁶ We also deleted language on page 16 describing what a subscriber line charge is, in order to

²¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 18005-08, paras. 940-42 (2011) (*USF/ICC Transformation Order*), *pets. for review pending sub nom, In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011).

²² This responds to the request of one commenter that the Bureau clarify that all revenues from VoIP-PSTN traffic may be reported on Line 304.1 because the instructions may appear to require providers to split their reporting of charges related to VoIP-PSTN traffic. See XO Comments at 11, 14-15.

²³ See Level 3 et al. Comments at 4; NCTA Comments at 2-3.

²⁴ 2013 Form 499-A Instructions at 15.

²⁵ 47 C.F.R. § 36.154(c) (intra-interstate jurisdictional separations requirements); 47 C.F.R. § 69.104(a) (rate regulation); see *Access Charge Reform; Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, CC Docket No. 96-262, Seventh Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 9923, 9926, para. 8 (2001). See also generally *Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing; End User Common Line Charges*, CC Docket No. 96-262 et al., First Report and Order, 12 FCC Rcd 15982 (1997) (*subsequent history omitted*); *Universal Service First Report and Order*, 12 FCC Rcd at 8970, para. 366 (noting that carriers other than incumbent LECs do not participate in the formal separations process that the rules mandate for incumbents, and hence do not charge SLCs nor distinguish between the interstate and intrastate portion of their charges and costs); Grande Comments at 6; Level 3 et al. Comments at 3; NCTA Comments at 2; Transcom Comments at 1-2; XO Comments at 9-10.

²⁶ 2012 Form 499-A Instructions at 15. Many commenters support the removal of this language as consistent with Commission precedent. See Grande Comments at 6; Level 3 et al. Comments at 3; NCTA Comments at 2; XO Comments at 10.

simplify the instructions.²⁷ We added language to page 16 of the Form 499-A Instructions clarifying that non-incumbent carriers that elect to recover from their end users a separately stated charge for the interstate portion of fixed local exchange service or interstate exchange access should report such revenues on Line 405, and allocate those revenues to the interstate jurisdiction in a manner that is consistent with their supporting books of account and records.²⁸ Conforming changes were made at page 14 of the Form 499-Q Instructions.

- **Access Recovery Charges:** We revised the Form 499-A Instructions at page 16 (Line 405) to specify that access recovery charges (ARC) of incumbent LECs should be reported on Line 405.²⁹
- **Special Access on Common Carrier Basis:** Special access service has been subject to universal service contributions since 1997, when the Commission adopted the *Universal Service First Report and Order*.³⁰ The obligation to report revenues from the sale of special access on a common carrier basis was also discussed in the Commission's recent *Wholesaler-Reseller Clarification Order*.³¹ Consistent with existing Commission requirements, we revised page 17 of the Form 499-A Instructions to remind filers that they should report, on Line 406, revenues derived from the sale of special access on a common carrier basis to providers of retail broadband Internet access service.³² We have also included additional language in the instructions to clarify that, pursuant to the *Wholesaler-Reseller Clarification Order*, prior to January 1, 2014, providers may report revenues from special access services provided on a common carrier basis consistent with their reliance on reseller certifications, based on the sample reseller certification language in the 2012 Form 499-A Instructions. The revisions do not require contributors to report special access provided to broadband providers on a common carriage basis separately from special access provided to other customers on a common carriage basis, nor do the

²⁷ Contrary to the concern of one commenter, this revision does not alter the nature of a SLC under existing Commission precedent. See Transcom Comments at 1-2.

²⁸ 2013 Form 499-A Instructions at 16.

²⁹ See *USF/ICC Transformation Order*, 26 FCC Rcd at 17956-61, 17987-94, paras. 847-53, 906-16. ARCs partially offset intercarrier compensation revenue declines resulting from the transition from certain switched access rates, adopted as part of comprehensive intercarrier compensation reform. One commenter recommended that the Bureau expand the instruction to Line 405 to also address charges assessed by competitive LECs to mirror the ARC. See XO Comments at 11, 14-15. The new language added to the instructions regarding Line 404 clarify that non-incumbent carriers should report any separately stated charges intended to recover the fixed portion of the local loop on Line 404.

³⁰ See *Universal Service First Report and Order*, 12 FCC Rcd at 9355, App. I (codifying new section 54.703 of the Commission's rules); see also 47 C.F.R. § 54.706 (2013).

³¹ *Wholesaler-Reseller Clarification Order*, 27 FCC Rcd at 13797, para. 39 n. 109.

³² One commenter supported the revisions. See AT&T Comments at 8. Sprint sought additional clarification that the changes do not treat the integrated transmission component of wireline broadband Internet access service as the provisioning of "telecommunications services." Sprint Comments at 12-14. The revisions do not alter the treatment of wireline broadband Internet access service under existing Commission requirements.

instructions alter in any way the Commission's treatment of broadband Internet access service as an information service not subject to USF contribution obligations.³³

- **Definition of “Toll Services” for Wireless Providers:** Page 18 of the Form 499-A Instructions were revised to include a cross reference to Commission orders defining “toll services” for wireless providers.
- **Carrier’s Carrier Revenues:** Page 22 of the Form 499-A Instructions were revised to provide additional examples of intercarrier compensation that should be reported in Block 3 (carrier’s carrier revenues) and not in Block 4 (end-user revenues).³⁴
- **“Reseller” Sample Certification Language:** In 1997, the Commission defined a “reseller” as “a telecommunications service provider that (1) incorporates the purchased telecommunications services into its own offerings, and (2) can reasonably be expected to contribute to support universal service based on revenues from those offerings.”³⁵ Thus, a wholesale provider should exclude revenues from its contribution base only if it has “affirmative knowledge” or a “reasonable expectation” that its customer is contributing to USF on the revenues derived from the offering that incorporates the wholesale input.³⁶ If a wholesale provider cannot meet this standard for a particular customer, that customer should be treated as an end user rather than as a reseller for contributions purposes.³⁷ We revised pages 22-23 of the Form 499-A Instructions and pages 11-12 of the Form 499-Q Instructions to reflect the Commission’s holding in the 2012 *Wholesaler-Reseller Clarification Order*, namely, that providers may rely on reseller certificates that are consistent with the sample language contained in the 2012 Forms 499 Instructions through December 31, 2013. We also revised the Form 499-A Instructions to delete the language in the prior versions suggesting that filers check the Commission’s website to ascertain whether a carrier customer is a contributor to the USF, because such action, by

³³ See 2013 FCC Form 499-A Instructions at 17. The revisions to the instructions are designed, in part, to address concerns raised by commenters in the record. See Level 3 et al. Comments at 4-5; TelePacific Comments at 9; AT&T Comments at 8; Sprint Comments at 12-14.

³⁴ We decline to make further revisions to this section suggested by one commenter. See Level 3 et al. Comments at 6 (asserting that the Bureau should clarify that carriers do not have to verify a customer is a reseller for all per-minute origination or termination revenues reported in Line 304, whether classified as switched access, VoIP, or reciprocal compensation, and whether provided pursuant to tariff or contract). The revisions at issue are intended to provide additional examples of intercarrier compensation that should be reported in Block 3, not guidance as to whether a carrier customer should be treated as a reseller under existing Commission requirements.

³⁵ See 1997 Form 499-A Instructions; see also 2012 Form 499-A Instructions at 21 (“For the purpose of completing Block 3, a “reseller” is a telecommunications carrier or telecommunications provider that: (1) incorporates purchased telecommunications services into its own telecommunications offerings; and (2) can reasonably be expected to contribute to federal universal service support mechanisms based on revenues from such offerings when provided to end users”).

³⁶ See *Universal Service Second Order on Reconsideration*, 12 FCC Rcd at 18508, App. A (noting that the underlying contributor may have reason to know that its customer may, in fact, be a contributing reseller); *Wholesaler-Reseller Clarification Order*, 27 FCC Rcd at 13796, para. 37.

³⁷ *Wholesaler-Reseller Clarification Order*, 27 FCC Rcd at 13786, para. 11.

itself, is insufficient to satisfy the reasonable expectation standard.³⁸ Contributors, however, are free to check the Commission's website to ascertain whether a carrier customer is a contributor in their efforts to report revenues for USF contribution purposes.³⁹

- **Consistency in Traffic Study or Safe Harbor Elections:** Page 25 of the Form 499-A Instructions and pages 16-17 of the Form 499-Q Instructions were revised to clarify the requirement that the same election made by a filer on its Form 499-Q filings to use either a safe harbor or traffic studies to project revenues for a particular quarter must be used on the filer's Form 499-A for reporting historical revenues for that particular quarter. Form 499-Q (Line 114) was revised to include a check box when filers use safe harbors for reporting revenue allocations.
- **Traffic Studies:** Page 26 of the Form 499-A Instructions and page 17 of the Form 499-Q Instructions were revised to include format headings to be used when filing traffic studies, to assist in administrative processing. These headings are intended to help identify each filer submitting traffic studies in order to properly match the traffic study with such filer's Form 499-A and Form 499-Q filings.
- **Percentage of Revenues Billed Per Region:** Lines 503 through 510 of Form 499-A currently require filers to report the percentage of telecommunications revenues billed by LNPA region. Page 28 of the Form 499-A Instructions was revised to clarify that filers may use customer billing addresses to calculate or estimate this percentage.

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For further information, please contact Erica Myers, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-0886 or TTY (202) 418-0484.

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³⁸ The fact that a carrier customer is not listed as a contributor on the Commission's website may be sufficient to establish that the customer should be treated as an end user for USF reporting purposes. If, however, a carrier customer is listed as a contributor on the Commission's website, that is not determinative as to whether the customer should be treated as an end user with respect to the inputs purchased from a wholesale provider.

³⁹ See XO Comments at 6-7 (arguing that the Bureau should retain this portion of the instructions as evidence of due diligence that would support the reasonable expectation standard).